

May 22, 2013

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Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: **Notice of Ex Parte: WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208**  
**Petitions for Waiver – Adak Eagle Enterprises (filed May 22, 2012) and Windy City Cellular (filed April 3, 2012)**

Dear Ms. Dortch:

On May 21, 2013, Monica Desai, counsel for Adak Eagle Enterprises, LLC (“AEE”) and Windy City Cellular, LLC (“WCC”), met with Rebekah Goodheart (Legal Advisor, Commissioner Clyburn) regarding the above-referenced petitions.<sup>1</sup> Ms. Desai also communicated with Nicholas Degani (Legal Advisor, Commissioner Pai), Priscilla Delgado Argeris (Legal Advisor, Commissioner Rosenworcel), Ruth Milkman (Chief, Wireless Telecommunications Bureau) and Julie Veach (Chief, Wireline Competition Bureau). The following points were covered:

Ms. Desai recognized that staff has expended a great deal of time and energy evaluating the companies’ petitions, and expressed appreciation for that. She noted, however, that the companies also have spent a great deal of time and energy (not to mention resources) in sincerely and very diligently responding to all staff requests. The companies have been forthcoming and cooperative over this year-long process with the underlying faith that, given the waiver standard outlined in the *USF/ICC Transformation Order*,<sup>2</sup> the Commission’s commitment to “no flash cuts” and a “glide path” for companies that have made recent investments,<sup>3</sup> and the highly unique situation of AEE and WCC (taking into account the extremely high costs of serving Adak Island, AEE’s outstanding RUS loans, which have been used to provision plant and equipment on the island, and the companies’

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<sup>1</sup> See Petition for Waiver of Adak Eagle Enterprises, LLC, WC Docket No. 10-90, *et al.*, May 22, 2012 (“AEE Petition”); Petition for Waiver of Windy City Cellular, LLC, WC Docket No. 10-90, *et al.*, April 3, 2012 (“WCC Petition”).

<sup>2</sup> See *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, 26 FCC Rcd 17663, Section VII(G), ¶¶ 539-544 (2011) (“*USF/ICC Transformation Order*”).

<sup>3</sup> Letter from Monica Desai, Counsel, AEE and WCC, to Marlene H. Dortch, Secretary, FCC, Notice of Ex Parte, WC Docket No. 10-90, *et al.*, 4, dated April 12, 2013 (“AEE/WCC April 12 Ex Parte”); Letter from Monica S. Desai, Counsel for AEE and WCC, to Marlene H. Dortch, Secretary, FCC, Notice of Ex Parte, WC Docket No. 10-90, *et al.*, 4, dated May 14, 2012.

record of providing the most comprehensive service – and only 911 service – on the island), there must be a way to reach a positive result.

Ms. Desai emphasized that the companies have always stood willing to provide whatever information the Bureaus need and will do whatever the Bureaus want, but it is difficult to continuously offer proposals without receiving a concrete reaction from staff. The worst scenario from the perspective of the companies would be for the Commission to issue a denial without the companies receiving direction regarding what the Bureaus would like the companies to do, especially because the companies are willing to move forward with whatever instructions are provided.

Ms. Desai expressed appreciation in being told on Tuesday, May 21, that there are at least three remaining areas of concern: corporate salaries, the number of accountants, and the retail store on the island. She emphasized that if there are other areas of concern, the companies would appreciate knowing. In the meantime, Mr. Larry Mayes, the companies' Chief Executive Officer, and Ms. Andilea Weaver, the companies' Chief Operations Officer, are preparing an alternative salary proposal, making plans with respect to the retail store, and working on a proposal for fewer accountants. Ms. Desai asked that if staff has in mind, for example, whether they would like one less accountant, or two fewer accountants, or no accounting staff at all, that would be helpful for the companies to know so that they do not have to continue guessing. Similarly, Ms. Desai requested that if the Bureaus would like the companies to set executive salaries at a specific level, the companies would also appreciate knowing that so that they do not have to continue guessing as to what salaries staff will approve. Otherwise, the companies will provide different proposals and hope that staff will inform them if the proposals are acceptable or, if they are not, provide the companies with some direction as to what would be acceptable.

Because the companies are willing to comply with staff direction in these areas, it would be unfair for the Bureaus to base a denial of the waiver petitions on the companies' inability to correctly guess what the Bureaus would like as an end result. At a minimum, providing the opportunity for the companies to discuss proposals with staff and receive feedback would be a fair way to proceed if staff believes it is inappropriate to provide the companies with specific directions.

(1) AAA Accounting

Ms. Desai responded to a misimpression that Ms. Weaver is selling accounting services separately to AEE and WCC through a separate accounting company, AAA Accounting. This is flatly untrue, as explained in prior filings.<sup>4</sup> Attached is a declaration, signed under penalty of perjury by Ms. Weaver, confirming this.<sup>5</sup>

(2) RUS Loan

Ms. Desai reiterated that AEE has an outstanding RUS loan, which was used to fund the plant and equipment necessary to provide service on Adak Island. As was submitted into the record, Mr.

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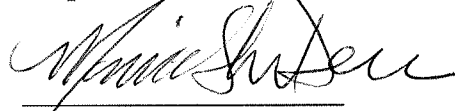
<sup>4</sup> See Letter from Monica Desai, Counsel, AEE and WCC, to Marlene H. Dortch, Secretary, FCC, Notice of Ex Parte, WC Docket No. 10-90, *et al.*, 3, dated May 20, 2013; AEE/WCC April 12 Ex Parte at 11.

<sup>5</sup> See Declaration of Andilea Weaver at Attachment 1.

Mayes and Ms. Weaver asked RUS if they could restructure the loan due to funding cuts, but RUS said they could not.<sup>6</sup> If RUS does plan to restructure or forgive the loan, then service obviously could be provided at a dramatically lower cost. This is not, however, what the companies have been told.

Ms. Desai emphasized that the companies continue to stand ready – as they have throughout the entire waiver review process – to discuss or provide further explanation of any of the information they have previously provided if requested by staff. Without clear direction from staff, however, the companies are left in the dark to guess whether staff is satisfied with the information provided or has remaining questions. Leaving the companies in the untenable position of having to operate in a constant state of uncertainty – guessing as to the specific additional cost-cutting measures staff would like the companies to implement – is inconsistent with the Commission's commitment to a fair, predictable, and open process. The companies have been very responsive and forthcoming, and hope that staff will be equally responsive and forthcoming.

Respectfully submitted,



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cc:

Priscilla Delgado Argeris  
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Chris Cook  
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Rebekah Goodheart  
Jane Jackson  
Michael Jacobs  
Travis Litman  
Scott Mackoul  
Susan McNeil  
Ruth Milkman  
Louis Peraertz  
Courtney Reinhard  
Gary Seigel  
Joseph Sorresso  
Julie Veach  
Margaret Wiener

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<sup>6</sup> See Letter from Monica Desai, Counsel, AEE and WCC, to Marlene H. Dortch, Secretary, FCC, Notice of Ex Parte, WC Docket No. 10-90, *et al.*, 8, dated Feb. 28, 2013.

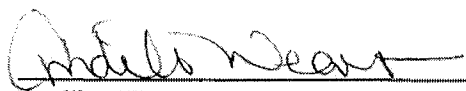
**Attachment 1**  
**Declaration of Andilea Weaver**

### DECLARATION OF ANDILEA WEAVER

I, Andilea Weaver, declare under penalty of perjury that the following is true and correct to the best of my knowledge and belief:

1. I am the Chief Operations Officer of Adak Eagle Enterprises, LLC ("AEE") and Windy City Cellular, LLC ("WCC"). I also am a principal of AAA Accounting.
2. From 2003 to 2005, AAA Accounting provided accounting services to Adak Telephone Utility ("ATU") and its affiliate, Adak Cablevision, LLC ("Adak Cablevision"). AAA Accounting provided these services to ATU and Adak Cablevision before the companies were fully up and running and able to afford their own accounting personnel, and before ATU paid me any salary. During this time, neither ATU nor Adak Cablevision had office space, and AAA Accounting performed all of the companies' administrative work.
3. AAA Accounting stopped providing all services to ATU and Adak Cablevision after the companies hired accounting staff and took over their own accounting operations in 2005. AAA Accounting has not provided any services to AEE (including ATU and WCC) or Adak Cablevision since 2005.
4. When AEE began renting its own office space in 2005, AAA Accounting subleased a portion of that office space from AEE until 2010, at which point AAA Accounting stopped subleasing the space. After AAA Accounting exited AEE's office space, AEE paid to remodel the space for use by members of AEE's staff.
5. Although AAA Accounting maintains an address at AEE's administrative building, AAA Accounting does not employ any personnel or perform any work out of that building.

Executed on this 20<sup>th</sup> day of May 2013.



Andilea Weaver  
Chief Operations Officer  
Adak Eagle Enterprises, LLC and  
Windy City Cellular, LLC